

January 31, 2003

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
236 Massachusetts Avenue, NE  
Suite 110  
Washington, DC 20002

RE: **Comments in Support of Request for Initiation of Proceeding into Character of WorldCom, Inc. and other Commission Licensees – RM-10613**

Dear Ms. Dortch:

The National Council of Churches (NCC), the leading ecumenical organization among Christians in the United States and the Communications Workers of America (CWA), the leading communications workers union write in support of the **United Church of Christ's (UCC) Petition for Rulemaking and Request for Initiation of § 403 Proceeding into Character of WorldCom, Inc. and Other Commission Licensees.**

NCC represents the interests of 36 Protestant, Orthodox, and African-American denominations with more than 50 million adherents in 140,000 local congregations across the nation. CWA represents more than 700,000 employees in telecom, media and other fields. Our organizations submit these joint comments, because we support Federal Communications Commission (Commission) oversight to ensure that communications' carriers are held to the highest standards of corporate responsibility and honesty.

WorldCom, through its corporate malfeasance, has jeopardized the loyalty and trust of its consumers – including hundreds of thousands of church members -- and at least 17,000 employees – and thus has made the remedy for its actions a public policy priority for our organizations.

In July 21, 2002 WorldCom filed for the largest bankruptcy to date, a direct result of deliberately deceptive accounting practices, resulting in the exaggeration of the company's assets leading to a subsequent restatement of earnings. Reportedly, in just over one year, WorldCom defrauded investors by almost \$9 billion, costing investors 94% of their stocks' value.

On a grander level, however, WorldCom's misconduct in the telecom sector is serious, as this sector is in many ways the "central nervous system" of our nation's economy, and to some degree, the world's economy. The question is: how do we punish such misbehavior and prevent it from occurring again?

The solution, we believe, is attainable. To restore confidence in the industry and to protect our nation's security, new standards must be adopted. In collaboration with the UCC, we urge the Commission to commence an investigation into the behavior of WorldCom and other Commission Licensees that may have engaged in egregious misconduct. Additionally, we request that the Commission undergo a rulemaking that would do the following:

- Adopt new standards of business conduct that eliminate opportunities and incentives to misrepresent material facts in matters before the Commission.
- Adopt rules based on the principle that the auditor must be independent both in fact and appearance similar to those required by the Securities Exchange Commission (SEC) and the Sarbanes-Oxley Act.
- Adopt rules governing the issuance of stock options to officers and directors that provide protections to shareholders and consumers similar to those used by the SEC.

We understand that there are other investigations underway, or recently completed, by the SEC and Congress. However, we believe that the Commission must also act. The SEC's investigation focuses on issues surrounding securities fraud while the Sarbanes-Oxley Act protects shareholders and investors. Thus the full extent of corporate corruption – as it relates to telecommunications – has not yet been addressed. By congressional design, telecommunications matters fall squarely to the expertise of the Commission.

In conclusion, we trust that you will do the right thing on this important proceeding and address the **United Church of Christ's (UCC) Petition for Rulemaking and Request for Initiation of § 403 Proceeding into Character of WorldCom, Inc. and Other Commission Licensees.**

Sincerely yours,

Wesley M. "Pat" Pattillo  
Associate General Secretary for Communication  
National Council of Churches  
475 Riverside Drive, Suite 880  
New York, NY 10115

George Kohl  
**Assistant to President and Director of Research**  
Communications Workers of America  
501 Third Street, N.W.  
Washington, D.C. 20001